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Mike Chamness – Chair
Illinois Terrorism Task Force

ITTF POLICY STATEMENT 2008 (1)


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Fire Mutual Aid
Information Technology
Law Enforcement Mutual Aid
Private Sector
Public Information
Science & Technology
Training
Transportation
Volunteers & Donations

TO: Homeland Security Grant Program (HSGP) and
Infrastructure Protection Program Grantees

FROM: Mike Chamness, Chair
Illinois Terrorism Task Force 

DATE: March 19, 2008

SUBJECT: Illinois Terrorism Task Force Policy Statement Regarding
Sub-Recipient Monitoring

INTRODUCTION:

Governor's Executive Order 2003 (17) created the statewide homeland security advisory committee, the Illinois Terrorism Task Force (ITTF). The ITTF is responsible for developing and helping to implement the state's homeland security strategy as an advisory body to the Governor and overseeing the management and administration of the Homeland Security Grant Program. The task force continues to build upon a strong foundation of established working partnerships among its over 60 members, which represent all public safety agencies and associations and every community in Illinois.

GENERAL POLICY STATEMENT:

A recipient of ITTF grant funding (referred to as sub-recipient) has full responsibility for the conduct of the project or activity supported and for the results achieved. The sub-recipient must monitor the performance of its project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms of the grant agreement or interagency agreement issued by the ITTF. The sub-recipient is responsible for monitoring the activities and pass-through requirements of its sub-recipients.

It is the ITTF's policy to provide necessary involvement between itself and the sub-recipient in the performance of a project to ensure the achievement of programmatic objectives approved by the ITTF consistent with the Illinois homeland security strategy and to ensure conformance with requirements of the federal grant guidance, appropriate state requirements, ITTF policies, and terms and conditions of the grant agreement or interagency agreement.

Sub-recipient monitoring is a process whereby the programmatic progress and financial and business management aspects of a financial assistance award are reviewed by assessing information as outlined in the ITTF Sub-Recipient Monitoring Plan. The ITTF requires financial assistance sub-recipients to have adequate management systems to ensure that project objectives are met and funds are spent and accounted for properly. To the extent possible, financial assistance award monitors rely on the management systems of the financial assistance sub-recipients to meet project objectives, comply with award terms and conditions, and account for funds.

ITTF SUB-RECIPIENT MONITORING PLAN:

To ensure the sub-recipient achieves programmatic objectives approved by the ITTF consistent with the Illinois homeland security strategy and to ensure conformance with requirements of the federal grant guidance, appropriate state requirements, ITTF policies, and terms and conditions of the grant agreement or interagency agreement, the ITTF has established the following sub-recipient monitoring plan for all financial assistance awardees:

► Contact Information of Authorized Representative for Sub-recipient

Each sub-recipient is required to provide the ITTF with detailed contact information for its authorized representative. This information includes the individual's name, title, mailing address, phone number, fax number, and email address. The sub-recipient is required to update this information as changes occur. At least annually throughout the period of performance, the ITTF will verify the information for the authorized representative.

► On-going Technical Assistance and Communication

The ITTF Program Manager for the appropriate U.S. Department of Homeland Security (DHS) grant regularly provides technical support and guidance to sub-recipients, via telephone, email or on-site visits, to ensure compliance with federal and state programmatic requirements. The ITTF Program Manager will have more frequent contact with sub-recipients if it is determined there may be a problem with their compliance with the terms of the grant agreement or interagency agreement (legal obligation between the Illinois Emergency Management Agency (IEMA) and sub-recipient).

► Programmatic Reviews and On-site Monitoring

Throughout the period of performance, the ITTF will conduct internal programmatic reviews of all documentation submitted to ensure the sub-recipient is complying with the terms of the grant agreement or interagency agreement. The ITTF also will conduct a random sample of on-site monitoring visits of sub-recipients (minimum of 12 per calendar year) to ensure they have policies and procedures for compliance with A-133 Single Audit, property control, federal Financial Management Guide, and OMB A-102.

► Property Control Documentation and On-site Monitoring

Sub-recipients are required to maintain proper records of the acquisition and management of property according to the standards set forth in this policy. Annually, sub-recipients are required to submit an inventory report for all equipment purchased with federal homeland security funds. Regional IEMA staff or other staff designated by the ITTF will conduct annual site audits to ensure the accuracy of the documentation submitted.

► Submission of Bi-Annual Strategy Implementation Report (BSIR)

Upon request throughout the stated performance period, sub-recipients will submit to the ITTF documentation to support the submission of BSIR. The documentation must include, at a minimum, the amount of funding received, obligated and expended for activities outlined in the Scope of Work, Discipline Allocation Worksheet, and Project Metric Worksheet.

► Review of A-133 Single Audits

IEMA will ensure that sub-recipients are in compliance with the audit requirements as set forth in this policy. Correspondence will be sent by the IEMA to sub-recipients that fail to comply with submission deadlines. IEMA will ensure that sub-recipients have adequately resolved any audit findings in accordance with federal and state requirements.

► On-site Monitoring of National Incident Management System (NIMS) Compliance

Sub-recipients are required to fully implemented all current NIMS compliance activities in accordance with Homeland Security Presidential Directive 5 (HSPD-5), *Management of Domestic Incidents* and related compliance documentation provided by the Secretary of Homeland Security and State of Illinois. The sub-recipient grant agreement or interagency agreement requires that compliance documentation is on file with IEMA. IEMA also will conduct a random sample of on-site monitoring visits of sub-recipients (minimum of 12 per calendar year) to ensure they have fully implemented the NIMS compliance activities.

SUB-RECIPIENT PROPERTY CONTROL POLICY REQUIREMENTS:

Sub-recipients that purchase allowable equipment through grant funds administered by the ITTF will protect and maintain a complete and accurate record of equipment in compliance with this section. Other conditions and rules applicable to this policy are listed below.

- State sub-recipients will continue to follow state inventory policies and procedures as outlined in the State Property Control Act (30 ILCS 605) and applicable Administrative Rules.

- ▶ In accordance with the waiver granted by the Director of the Illinois Department of Central Management Services, non-state sub-recipients will use inventory procedures in accordance with the Financial Guide of the Department of Justice (FFY 2005 and earlier) or the Department of Homeland Security (FFY 2006 and later).

Accordingly, each sub-recipient shall maintain complete and accurate property records that contain the following information about the equipment:

1. Description (including serial number or other identification number),
 2. Funding Source,
 3. Entity in possession of the title,
 4. Acquisition date and cost,
 5. Percentage of federal participation in the cost,
 6. Location,
 7. Condition, and
 8. Any ultimate disposition data, including the date of disposal and sales price or method used to determine current fair market value.
- ▶ A physical inventory of equipment acquired under federal awards will be made by the sub-recipient no less than every two years.
 - ▶ The ITTF will select a sample of equipment identified as acquired under federal awards from the property records and physically inspect the equipment to determine if it is appropriately safeguarded and maintained.
 - ▶ Annually, a schedule for on-site inspections will be developed. Using the ITTF inventory database, the ITTF will select a percentage of sub-recipients to inspect (no less than 50 percent each year). A sample of durable line items will be chosen for record review/visual inspection (25 percent of all items valued over \$5,000.00). The sub-recipient will be given no less than 30 days notice to prepare for the site visit. A representative of IEMA and the sub-recipient will jointly conduct the inventory using the ITTF Inventory Certification Form.
 - ▶ If the item is held by the sub-recipient, the inspector shall ensure that the item is physically present and visually inspect the item. If the item has been assigned or otherwise transferred to another jurisdiction, then the documentation for the transfer will be reviewed. At a minimum, the sub-recipient will provide a property control sheet similar to the ITTF document and obtain signature from a responsible official of the holding jurisdiction. If the sub-recipient's organization has more stringent rules for transferring or loaning equipment those procedures may be used.
 - ▶ Records for equipment, non-expendable personal property, and real property shall be retained for a period of three years from the date of the disposition, replacement, or transfer. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.

- ▶ If equipment is lost, the sub-recipient must notify the ITTF within 30 days of loss to provide an explanation of the circumstances causing the loss. If damaged, a similar report will be submitted to include the sub-recipient's plan for repair or replacement. The ITTF is not responsible for repair or replacement of lost or damaged transferred property. Similar procedures must be followed for any transferred or loaned equipment unless the sub-recipient's policies are more stringent.
- ▶ Regarding equipment that reaches its authorized shelf life or is determined to be non-serviceable, the ITTF shall be notified by the sub-recipient. The sub-recipient is responsible for collecting this information on loaned or transferred equipment and reporting the same to the ITTF.

SUBMISSION AND REVIEW OF AUDITS REQUIRED UNDER OMB CIRCULAR A-133:

This section sets forth the terms and conditions for the submission and review of audits required under OMB Circular A-133 for sub-recipients of the ITTF through IEMA. OMB Circular A-133 requires that, as of their 2005 fiscal year, any state or local government or not-for-profit agency that expends more than \$500,000 from federal sources must have a Single Audit completed by an independent auditing firm. The ITTF grant agreement or interagency agreement states the funds received are federal and that the requirements of OMB Circular A-133 apply.

Each ITTF sub-recipient (or its legal entity) that meets the test for undergoing a Single Audit must ensure that the audit is completed and submitted as soon as possible, but in no case shall this take longer than nine months after the conclusion of the sub-recipient's fiscal year. The sub-recipient shall cooperate in the audit process and shall ensure that the audit is submitted to the ITTF by that date. The components of a Single Audit are:

- ▶ Basic financial statements and independent auditor's report of these statements (part of the Comprehensive Annual Financial Report,
- ▶ Reports on internal control and compliance of the general purpose financial statements,
- ▶ Reports on internal control and compliance for Federal Programs,
- ▶ Schedule of Expenditures for Federal Awards,
- ▶ Report on the Schedule of Expenditures for Federal Awards, and
- ▶ Schedule of Findings and Questioned Costs (if applicable).

If a sub-recipient cannot comply with the Single Audit requirements, it must to inform the ITTF and provide information on its status when requested, or no less than monthly.

The ITTF has the authority to withhold funds from a sub-recipient if the provisions of OMB Circular A-133 are not met and will do so if the audit is more than 90 days late unless adequate progress is being made toward completion and submission.